

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Australian Charities and Not-for-profits Commission (ACNC)

Question No: 124

Topic: Confidence in charities

Reference: Written

Senator: Ketter, Chris

Question:

- 1) There has been recent attention on intimidating fundraising practices by some operators ('chuggers', UK scandal & do not call factor). What safeguards has the ACNC considered to ensure charities or their agents aren't making inappropriate contact?
- 2) What's the best way to rein in bad collection behaviour?
- 3) What consultation does the ACNC perform to gauge the level of public trust and confidence in Australian charities?
- 4) Have organisations in the sector raised problem areas relating to public trust and confidence with the ACNC?
- 5) How does the ACNC gauge public trust and confidence in charities and not-for-profits?
- 6) Would there be any benefits to allowing the ACNC discretion to comment on specific investigations?
- 7) The ACNC recently released information about a 'tick' logo that will soon be available to registered charities. How does this logo add to the assurance provided by an organisation's appearance on the register?

Answer:

1. The ACNC does not regulate fundraising. However, the ACNC does regulate charity governance and is responsible for promoting trust and confidence in Australia's charity sector. Consequently, the way in which charities conduct fundraising, including a charity's due diligence and on-going monitoring of its fundraising agencies, is an area of interest and concern to the ACNC. Good governance and the responsibilities of the board extends to a charity's activities when undertaking fundraising and the ACNC is taking proactive steps to educate board members of their responsibilities in this space. The ACNC aims to build capacity in charity boards to understand and implement governance standards.

It is essential that charities outsourcing fundraising to agencies have effective processes and checks in place to monitor their supply chains, including identifying any poor behaviour.

Charities should be clear about the standards of behaviour expected from fundraisers and commit to those standards (and extend those expectations to any external fundraising agencies the charity may engage).

Both the Fundraising Institute of Australia (FIA) and the Public Fundraising Regulatory Association (PFRA) have established best-practice standards for fundraising in Australia. The FIA has a principle based Code of Ethics and Professional Conduct and the PFRA has a set of Standards for face-to-face fundraising. Many charities already subscribe to these codes and principles.

2. In July 2015, we received the results of the 2015 Public Trust and Confidence study. This study consisted of in-depth interviews, focus groups and an online survey of 1,761 nationally representative Australian adults. This report followed on from the similar 2013 study, and was the first opportunity to measure any changes over time.

We will conduct another trust and confidence survey during 2017 to further identify any trends or changes.

The ACNC conducts regular consultation with community groups, and engagement is a central value of the Commission. We hold regular Sector and Professional user Group consultations which provide us great insight into issues including public trust and confidence. Additionally, we ensure we have regular contact with a range of charities in the sector, as well as peak bodies such as the Australian Council for International Development, the Community Council of Australia, the Fundraising Institute of Australia and the Public Fundraising Regulatory Association.

We constantly monitor the media and social media for insight into issues of public trust and confidence. We also held fundraising themed forums across Australia in 2016.

3. A number of charities that have faced media scrutiny have sought to work with the ACNC to resolve the issues. We have found that these charities are keen to make this known publically, in order to ensure that they are able to maintain the public's trust.
4. Beyond our engagement and consultation efforts with the sector and the public, the ACNC produces a bi-annual report into public trust and confidence in Australian charities, which undertakes quantitative and qualitative research into the topic.
5. The ACNC notes that this would require legislative change and is a matter for government. However, there based on observation of other jurisdictions, there could be an educative benefit and a deterrent effect to providing comment on specific investigations and could assist in the achievement of the ACNC's objects in terms of public trust and confidence.
6. The ACNC's research into public trust and confidence shows that when the public is aware of the regulator, their trust in charities increases. The ACNC has created the new Tick of Charity Registration (Registered Charity Tick) to help charities show the public that they're registered with the ACNC, are accountable, regulated and transparent.

The Registered Charity Tick is a way for registered charities to easily show the public that they are registered with the ACNC, and it will also help members of the public find information about the charity on the Charity Register. The ACNC encourages members of the public to use the information on the Charity Register to make informed giving decisions.